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Remarks

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Prepared for delivery by Secretary of Agriculture John R. Block before The Club at The World Trade Center, New York, N.Y., Nov. 15.

I certainly appreciate being here. As secretary of agriculture, I meet quite often with farm and agribusiness leaders. It's not every day that I have an opportunity to meet at one time with so many of those who have such a vast influence on urban America.

I think it is especially appropriate for us to meet at this time. As you may already know, later this week rural and urban people all across this nation will begin observing Farm-City Week.

You and I know that neither our farms nor our cities could survive without the other. Each serves as the economic lifeline for the other. And the strength and vitality of that interdependence has been—and will continue to be—what sets these United States apart from nearly all other nations of the world.

That point was clearly evident over and over again last week, when I had the privilege of chairing the 22nd conference of the United Nations Food and Agricultural Organization in Rome.

As I chaired those sessions, my thoughts turned many times to thinking about how fortunate we are to have the most efficient agricultural industry the world has ever known.

But, as I listened to the projections for the world's population 10, 20 and 50 years from now—I also knew that, perhaps more than at any other time in recent history, we need to be challenging the course of American agriculture.

The current dilemmas facing U.S. farmers—including the agribusiness infrastructure that some of you help to finance—are an outgrowth of the policies and programs of the 1970s and early 1980s.

While recent events may have slowed our rate of speed, we still need to change the collision course that we find ourselves on.

One of the major shortcomings of these past farm programs has been our tendency to allow recent events to dictate longer-term policies.

Since the mid-1960s, we increasingly have recognized the need to minimize market interference. By abandoning quotas and allotments for most crops, we now have a much stronger agricultural industry as a result.

Even our payment-in-kind program—the largest program in agricultural history—was designed to ultimately create an atmosphere which will lead to a freer market for farmers.

PIK, as you may know, has drawn some heat, especially in the past couple of months. The critics can say what they want, but those who really understand the situation acknowledge that it has been the most effective acreage reduction program in history. All of the objective have been satisfied.

Without a doubt, this program has been a key factor behind the major improvement we have seen in farm economic conditions.

As every practioner of economics in this room knows, when economic conditions in rural America improve, that spells improvement for the rest of the economy.

After all, agriculture generates jobs for 23 million Americans—that's 22 percent of our overall labor force.

Last fiscal year, we exported some $36.6 billion worth of farm products. That's enough food and fiber to offset half the deficit in nonfarm trade.

Further, every $1 billion worth of farm products we export generates 30,000 jobs for workers in America's cities. I certainly don't need to tell you what that means to our domestic economy, to interest rates and to inflation.

A return to more market-oriented farm policies recognizes the volatility we face in agriculture that is beyond anyone's control—especially that which is due to weather and world economic conditions. Ensuring absolute price protection without regard to market demand just doesn't work.

The dairy program is a prime example, and we are rapidly heading in that same direction for grains and cotton.

In setting arbitrary target levels and price supports, we actually signal to other countries the level below which we can't compete. If the target price is above market-clearing levels, this sends a clear signal to

those other nations that they can expand production and capture our markets.

The discussions we had in Rome reconfirmed my belief that world and domestic agricultural policies have become virtually inseparable.

Many nations have discovered that agricultural exports are a valuable source of hard currency—and, thus, these exports are an effective option to relieve their debt servicing pressures.

At the same time, the general development of many of these countries—and the improvements they are making in their rural infrastructures—reassures me that the potential for world markets will continue to grow.

That means that America will continue to be challenged aggressively in the international marketplace. But it also means there will be tremendous opportunities for American farm products—if we use our comparative advantage.

As most of you recognize, agriculture is a global industry. The increasing interdependency of U.S. and world agriculture dictates that we seriously consider, first—the opportunities that exports bring to rural America, and second—the consequences of this increased competition for world markets and how we respond to that competition.

That leads me to another major concern: The conservation of our soil and water resources. This issue is of increasing concern—not only to me, personally, and others in production agriculture—but also to a growing number of Americans whose motivations are influenced by the generations of tomorrow.

America is blessed with a good growing climate, and a vast acreage of good farmland. But that land area is not expanding—even though our population is.

We have just over 1 billion acres of farmland in the U.S. That sounds like plenty—but it really amounts to only 4.5 acres per person.

But not all that land is flat, nor is it all suited to crops. Included in those 4.5 acres are mountains, forests, roads, lakes, swamps and other acreage not fit for growing food.

Only about 2 acres per person is covered by cropland. But how much is 2 acres? A football field takes up just over an acre. So the land you are relying upon to grow your own food and fiber comes down to just about 2 football fields.

What this boils down to is that all of you—as well as the farmers like me—have a long-term personal investment in what is done to maintain the fertility and the productivity of that land.

Everyone agrees that government plays an important role in encouraging the conservation of our soil and water resources. But the basic responsibility must still be shouldered by the landowner. Further, the regulation of land and water use is a local and state function—not the federal government's.

That does not preclude the responsibility we all share to address these conservation issues in a cooperative spirit. I can assure you, in the coming weeks, you will be hearing considerably more about this joint responsibility for soil and water conservation.

How well we do—and how well you and your children eat in the years ahead—will depend upon the farmers who tend the land.

We Americans are, indeed, blessed to live in a land where less than 5 acres per person provides such a plentiful supply of wholesome food.

That's why we celebrate Farm-City Week in November—because this is the time of year when Americans have traditionally given thanks for the rich bounty we enjoy.

Agriculture has always been a cornerstone of both our culture and our economy. That is why—at this time—we also must carefully examine the options that confront our long-term policies, both domestically and internationally.

And, it's a foregone conclusion that we must choose our future course carefully, if we are to keep this nation strong and productive for the Thanksgivings to come.

Thank you.

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Prepared for delivery by Secretary of Agriculture John R. Block before the Harvest States Cooperative's Annual Meeting in Minneapolis, Minn., Nov. 16.

It's a thrill for me to be here. I'm delighted that you invited me to your very first annual meeting as Harvest States Cooperative.

My congratulations go to you on the union of the Grain Terminal Association and the North Pacific Grain Growers. It certainly is impressive to think of 200,000 farmers doing business in 16 states under your combined banner.

But even more important than the economic sharing is the sharing of the cooperative spirit. I can sense this. I can feel the spirit because I am from a family that has been involved with cooperatives for many years. We even helped launch a few.

Coops have grown in size and number since that time. Today, four out of six farmers use cooperatives. That's quite a record of progress. It means that in farm marketing and supply, rural utilities and farm credit, the American cooperative systems are among the most developed in the world. They are an integral part of our nation's agricultural industry. More so than ever before, what affects agriculture has an impact on many coops as well.

Today, perhaps more than at any time in recent history, we need to use our collective genius to challenge the course of U.S. agriculture. President Reagan has often said that the real thrust in this country's recovery would come from the genius of the American people themselves. I firmly share that belief. And people like yourselves reaffirm it.

Last month I opened USDA's 60th annual outlook conference. In preparing for that speech, I looked back at what I had said the year before.

In 1982, I stated that agriculture, along with the policies and programs which surrounded it, were approaching a crossroads. This year, I find that while recent events may have slowed that approach, nothing has fundamentally changed the course.

Don't get me wrong. I'm not pessimistic about the future of agriculture. Just concerned that things are not heading in a promising direction. It's time to give some serious thought to turning them around. We can't always look for a back up plan to bale us out.

Let me give you an example. Say you're a passenger in an airplane flying at 35,000 feet. And the co-pilot comes out and announces he's quitting, you don't really need to worry. You still have a pilot. If the pilot comes out and he says he's quitting, you still don't have to worry. You have a co-pilot.

But if they both come out and they both announce they're quitting and they're wearing parachutes, then you'd better worry.

A year ago, agriculture and its farmers were reeling from the combined one-two punch of bumper crops which increased supply—and worldwide recession which reduced demand. Though the government was making record price support outlays, a number of farmers were facing financial ruin.

Clearly, the policies and programs of the past weren't working. This was when PIK was developed as an innovative—and temporary—program.

The response from farmers was phenomenal. They helped make this program a key factor in the major improvement we've seen in farm economic conditions.

In addition, PIK helped trigger the reduction of support spending for FY '84 to a projected $6 billion—down from $19 billion in FY '83.

But these improvements should not overshadow the fact that we have merely bought some time—and we need to use it wisely.

As a farmer myself, I can tell you that idling productive land is not the option American farmers want. They take pride in their ability to produce. They want their income from the marketplace—not from the Federal Treasury.

We need a long-term market-oriented agricultural policy. And this domestic policy should not be separated from international agricultural policy.

Agriculture is a global industry. The increasing interdependency of U.S. and world agriculture dictates that we consider seriously—not only the opportunities that exports bring to the agricultural industry—but also the consequences of increased competition for world markets and ways to respond to that competition.

Instead of losing markets, we need to be expanding the demand for U.S. agricultural products. We possess the most efficient agricultural machine in the world. The U.S. has the largest contiguous expanse of

fertile, productive land in the world, and a temperate climate unequaled anywhere.

We also have the world's most developed and competitive agribusiness infrastructure. This includes farm input suppliers, elevators, and our systems of transportation, processing, marketing and retailing.

The facts support the efficiency of U.S. agriculture, especially in comparison to that of our competitors. In 1982, U.S. yields for coarse grains were almost three times as great as those of other major exporters. Soybean yields were over a fourth greater.

Yet, when the figures for fiscal 1983 come in near the end of this month, we expect they will show the value of U.S. agricultural exports down 12 percent from the previous year. We estimate that volume will be down nine percent.

That's the bad news. Now let's look at some more positive things.

The coming year offers a chance to reverse these trends. We expect higher prices for some commodities, an increase in demand for feed grains and an improved trade climate with the Soviet Union and China.

We negotiated a larger long-term grain agreement with the Soviets. We successfully concluded textile negotiations with China. These are the two countries which have the greatest potential for U.S. export growth. But there's going to be competition—stiff competition.

This competition continues to increase as exporting countries continue to seek new markets. As a result, the European Community has not let up on subsidizing the export of all of its major agricultural commodities.

This administration is firmly committed to a liberal world trading system for agriculture based on comparative advantage. Our number one priority in trade policy is to continue to adhere to the principles of free trade.

We are seizing every opportunity to hammer on the need to bring subsidies under control. In the meantime, we have not discarded our options for countering their use while we pursue a solution.

As Secretary of State Shultz said at the Summit Conference: "We think that our capacity to persuade (the European Community) will be a lot greater if it's clear to everybody that if we must play that game, we can play it—and we have a deeper pocket than they do."

Beyond Europe, the countries of Asia are an area full of potential trade growth. With your deep water export terminal in Kalama, you will have a direct route to one of the most densely populated markets in the world.

Now, before I finish talking I want to stress the importance of the total agricultural industry getting involved in agricultural policy.

Notice I'm not saying wheat policy, corn policy or farm policy. I'm talking about agricultural policy that affects the whole industry. Twenty-three million people—one-fifth of our Gross National Product—20 percent of our exports.

Historically, each commodity has done its own thing. Each taking a turn on the playing field while everyone else sits on the sidelines. But that doesn't work anymore.

More and more, groups are realizing that the agricultural economy is truly interrelated. What happens with one commodity affects another. What happens in one segment of agriculture, affects the rest of agriculture.

PIK had an impact on the implement, seed and fertilizer industries. Beef people are now concerned about action on the dairy program and the impact of culled dairy cows on the beef industry.

Now is a good time to look at the total situation.

I am not the only one who feels the need for a good, sound, long-range farm policy. I hear it expressed everywhere—at the farm summit I hosted in July with a broad spectrum of agriculture industry leaders, at the agricultural roundtable last month with Vice President Bush at Block Farms and in one-on-one conversations I have with farmers as I travel across the country. I assure you that issues that affect agriculture are being addressed aggressively by this administration. And I don't have to carry the ball all by myself either. I work closely with other members of the Cabinet. Bill Brock, George Shultz, and Mac Baldridge—to name a few—are good friends and allies of agriculture.

I said at the beginning of my talk that I don't look to the future with pessimism. I look to the future with optimism. Not blind faith, but optimism. And we all have every reason to be optimistic.

I'll close with a story Oliver Wendell Holmes used to tell on himself. As a young man, he was traveling by himself on the train. When the conductor came around to collect the tickets, Holmes

searched his coat pockets, his waistcoat pockets—even opened his suitcase.

No luck/ He couldn't find his ticket.

"That's okay," the conductor replied. "You have an honest face."

"But you don't understand," Holmes said. "I don't need the ticket for you—I need it for myself. I don't know where I'm going."

We in agriculture do know where we want to go. But, if we don't try to chart our own destiny, we'll find that someone else will chart it for us. And they may be heading a different direction all together. We can't let that happen.

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Prepared for delivery by Secretary of Agriculture John R. Block before the U.S. Agricultural Export Development Council's Fall Meeting in Williamsburg, Va., Nov. 18.

We've had quite a year since I met with you in Easton, Maryland last year. Has it really been a year already?

I wish I could say we solved all of the problems that were discussed at that meeting, but we all know that's not entirely the case. Not to my satisfaction. But, I am pleased that we have made some important and very significant gains in a number of areas.

First, our overall economy is in a lot better shape today than it was 12 months ago. And dramatically better than two or three years ago. Even unemployment—generally the last of the economic indicators to recover—has begun to show steady improvement.

Over the last 10 months, total employment has risen by nearly three million. And the number of working Americans now stands at a record level of almost 102 million people. That's good news for American farmers since working Americans represent our number one market.

But still, the economic forecast shows a continued recovery through 1984—more modest—but still on the recovery course.

World economic conditions also have improved, and should continue to do so next year. That's also good news for American farmers.

You know, of course, that we negotiated a new long-term grain agreement with the Soviet Union, which included 50 percent higher minimum levels for corn and wheat, plus new provisions covering soybeans.

But equally important, when the chips were down, that agreement stood up under the stiffest of pressures brought on by the Korean airliner tragedy.

By not tampering with the LTA, President Reagan proved to the world that he stands behind his pledge that the U.S. will be a reliable supplier of food and fiber. This administration didn't punch the American farmer in the nose because of a dastardly deed committed by some other nation. And I don't need to tell this group how important that reputation is to American farmers.

On another topic—certainly of importance to each of you—we completely rewrote the regulations governing your operations as market development cooperators. We took some red tape out of your decision-making overseas. We wanted you to have more flexibility. And I hope it helps you respond faster to market opportunities.

The export trade show in Atlanta, which we helped sponsor with the National Association of State Departments of Agriculture, was an unqualified success. The participation by many of you helped. As a result, plans are being made for a similar exposition in Kansas City in 1985.

And we are continuing to stimulate exports through our trade promotion missions. These trips are invaluable, for a number of reasons.

During my own recent trip to South America, for example, I was extremely impressed by the efficiency which countries like Brazil and Argentina are beginning to achieve.

The net affect will be greater competition in world markets. It also reaffirms our belief that domestic and international agricultural policies have become practically inseparable.

These same themes were clearly evident last week while I chaired the 22nd conference of the United Nations' Food and Agricultural Organization in Rome. Many countries have learned that agricultural exports are a valuable source of hard currency. Consequently, these exports become an effective option in relieving debt servicing pressures.

At the same time, the general development in many countries—including improvements in their agricultural infrastructures—means that the potential for American farm exports will continue to grow.

The trade opportunities are there, but only if we utilize our comparative advantage and only if we adopt the kind of domestic farm policies that will allow us to be competitive in the international marketplace.

You've heard me say it before, and you'll hear me say it again and again and again. America's farmers want their production signals to come from the marketplace, not the government. Commodity prices and farm incomes should be determined in that same marketplace and not the federal treasury.

I'm not suggesting that government withdraw completely from agriculture. A safety net of some kind is necessary. But history has shown time and time again that government agencies are ill-equipped to accurately set prices and allocate resources.

Over the past 20 years, we have moved towards a market-oriented farm policy. And by abandoning quotas and allotments for most crops, we have gained a much stronger industry as a result.

Even the PIK program was designed to help create an environment that will lead to a freer market for farmers. And it has done just that. I realize there are many who find it convenient to criticize PIK.

But remember this: Those critics can say what they want. The people who really understand the situation know that PIK has been the most effective acreage reduction program in history. Quite frankly, that kind of success is just hard for some people to accept.

The fact is that PIK has fulfilled exactly what it was designed to do. And, without a doubt, it has been a key factor behind the major improvement we've seen in farm economic conditions.

There are a lot of farmers—and a lot of agribusinesses who supply those farmers—who are still in business today only because of PIK. They know where the real bottom line was drawn this year.

Even as we return to more market-oriented farm policies, we recognize the volatility we face in agriculture. Things that are beyond anyone's control, especially weather and world politics.

But ensuring absolute price protection without regard to the market just doesn't work. The dairy program has been a prime example. And if

we aren't careful, we'll be facing the same situation in grains and cotton.

When target levels and price supports are set arbitrarily above market-clearing levels, that sends to our competitors a clear signal as to the level below which we won't compete. It tells other nations they can expand production freely and go after our markets.

I'm well aware that the road to liberal trade in agricultural products has always been difficult. It is even more so in periods such as this, when demand is weak and supplies are large.

These pressures have led to the growing use of export subsidies and rising protectionism in domestic markets, including here in the United States.

I understand those sentiments.

It's frustrating to see markets lost because of EEC policies to reward inefficiency with generous subsidies. It's discouraging to know that American citrus and beef would find a good market in Japan, but can't because government-contrived trade barriers have not been lowered.

I can assure you that we are continuing to work on those problems. While it may not seem that much progress has been made in the past year, we have not given up hope.

The temptations are great to fight subsidy with subsidy, to counter foreign restrictions with restrictions of our own.

We have been forced in some cases to resort to these same measures, and will do so again if, and when, that becomes necessary to defend our markets.

Nevertheless, we remain committed to a more open trading system throughout the world. And we shall continue to work towards that goal.

You know what the results have been of past farm programs and policies.

You know what the outcome has been.

You know that a lot more people than just farmers have a big stake in our nation's agriculture.

Now is the time when we must look ahead—not merely to next year, or the year after that—but into the longer-term future.

Agriculture has always been a cornerstone of both our culture and our economy. That means we must choose our course carefully if we want to keep our nation strong.

I hope all of you will join me in this national dialogue and help keep agriculture on a steady course toward lasting prosperity. Thank you.

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News Releases

PRODUCERS AND IMPORTERS TO VOTE ON PROPOSED FLORAL ORDER

WASHINGTON, Nov. 10—Eligible producers and importers of flowers and plants will vote Nov. 28-Jan. 3 in a U.S. Department of Agriculture mail referendum on whether to adopt a proposed national program of research, promotion and consumer education for their commodities.

Charles Brader, a marketing official with USDA's Agricultural Marketing Service, said the proposed program is authorized by the Floral Research and Consumer Information Act enacted in December 1981. The act specifies that any producer or importer whose annual sales of flowers and plants for interior use do not exceed $100,000 would be exempt from the program's regulatory requirements, including assessment payments. Exempted producers or importers, however, are ineligible to vote in any referendum under the act.

Ballot material will be mailed to all known eligible producers and importers, Brader said. Ballots also are available from many extension service offices, as well as state floriculture specialists, floral associations and USDA offices listed below.

To become effective, the order must be approved by at least two-thirds of those voting in the referendum, or by a majority of those voting if they represent at least two-thirds of the value of flowers and plants accounted for in the referendum.

If approved, the order would be financed by assessments of one-half of one percent of the value of flowers and plants for the first two years, and not more than one and one-half percent thereafter. A producer or importer who did not wish to support the program could obtain a refund upon written request, Brader said.

The Floraboard, a 75-member group of flower and plant producers and importers, would be responsible for administration of the program. A majority of board members of each of three commodity groups—cut flowers, potted flowering plants and foliage plants—would have to be U.S. producers. The board would contract for research, promotion and consumer education after approval by the secretary of agriculture.

For further information contact Kurt Kimmel, Fruit and Vegetable Division, Rm. 2545-S, AMS, USDA, Washington, D.C. 20250; phone (202) 475-3929, or the AMS" marketing field office at any of these following locations:

William B. Blackburn, 2963 Fulton Ave., Sacramento, Calif. 95821; (916) 484-4855;

Richard P. Van Diest, 1130 "O" St., Rm. 3114, Fresno, Calif. 93721; (209) 487-5175;

Roland G. Harris, 845 S. Figueroa St., Suite 540, Los Angeles, Calif. 90017; (213) 688-3190;

William C. Knope, P.O. Box 9, Lakeland, Fla. 33802; (813) 683-5983;

Joseph C. Perrin, Green-Wyatt Federal Bldg., Rm. 369, 1220 S.W. Third Ave., Portland, Ore. 97204; (503) 221-2724; or

David B. Fitz, 320 North Main St., Box A-103, McAllen, Texas 78501; (512) 682-2833.

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ZINC DEFICIENCY RETARDS BRAIN DEVELOPMENT IN RAT STUDIES

BOSTON, Nov. 10—Diets mildly deficient in zinc caused memory and learning impairments in the offspring of laboratory rats fed the diets during pregnancy and suckling, a U.S. Department of Agriculture scientist said today.

Impaired learning of the animals continued into adulthood, said Edward S. Halas, research psychologist for USDA's Agricultural Research Service.

Halas said the results of the zinc-deficiency study, done at the research agency's Grand Forks, N.D., Human Nutrition Research Center, may have implications for humans.

He said a rat maze used to diagnose the impairments was the same kind of maze that researchers at Johns Hopkins University developed to study effects of surgically imposed injuries on the rat brain. University researchers found that injuries to the brain's hippocampus area impaired short- and long-term memory.

In the Grand Forks study, Halas said, "we found that the hippocampus areas were less-well developed in zinc-deficient rats with memory and learning impairments than they were in the rats on control diets." He reported the findings at the Society for Neuroscience annual meeting in Boston.

In rats and in humans, the hippocampus normally has high concentrations of zinc, a trace mineral that is essential for formation of nucleic acids and protein.

Whether zinc deficiency occurs in human fetuses and interferes with the rapidly developing hippocampus during pregnancy and postnatal periods is not known, Halas said. But he suggested that it may be prudent for pregnant women to consume food rich in zinc.

Good sources of zinc include oysters, variety meats such as liver or beef heart, other kinds of beef, dark poultry meat and crab.

Once the brain is fully developed in a rat or child, it is difficult to injure it by nutritional means, Halas said. But if zinc deficiency occurs early in life during the critical period of brain development, normal growth and maturation may be irreversibly impaired.

Can zinc deficient rats be rehabilitated in other ways?

"Insights for answering that question may depend on whether learning impairments in rats are general or specific in nature," Halas said. "If they're specific, perhaps in other kinds of learning experiments the rats could be rehabilitated to learn through kinds of stimuli that are different than the one involved in our study.

"Knowledge is too limited to comment on humans."

A 17-arm radial maze resembling the hub of a wheel and 17 spokes was used by Halas in the experiment. Animals can be tested for either short-term memory or learning, depending on how the maze is used.

"If you're testing for memory you put a pellet of food at the end of every arm of the maze," Halas explained. "After a rat has gone to several arms it has to remember which arms it already has visited if it is to be successful in finding food on the next trip away from the hub of the maze. A failure to find food on a trip constitutes an error of short-term memory."

In the test for learning, only eight of the 17 arms are baited for 15-minute tests each day. The other nine arms never are baited so the rat has two problems: to remember which arms have been baited and

which arms were visited recently. Successfully solving both problems constitutes learning.

The rats always were motivated for the experiments because the few pellets they got were only a part of their daily ration—not enough to satisfy them. During the rest of the day, the three groups of rats involved in the experiment received sufficient food to maintain their body weight at 85 percent of their normal weight.

None of the rats was zinc deficient during the behavorial testing procedures, Halas said.

Histological examinations by University of North Dakota anatomists Curtis D. Hunt and Jerrolynn C. Kawamoto showed that the hippocampi of rats that were undernourished during fetal development and suckling periods were less developed than hippocampi from the well-nourished rats.

Halas said further studies now underway may show whether the learning deficits resulting from malnutrition become worse in succeeding generations.

#

USDA SURVEYS OHIO AND TENNESSEE ANIMALS TO BEGIN NATIONAL SURVEY

WASHINGTON, Nov. 15—U. S. Department of Agriculture veterinarians are visiting livestock owners in Ohio and Tennessee to develop survey techniques to help assess the health status of America's agricultural animals.

According to Bert Hawkins, administrator of USDA's Animal and Plant Health Inspection Service, the two-state survey is being used as a pilot project for a nationwide survey, which will start in two years.

"There is a very real need for information about which animal diseases and parasites affect livestock, where and when these conditions exist and the dollar cost of livestock health care to American agriculture," Hawkins said.

"We also need to know how the prevalence of diseases is influenced by farm management practices if we are to help farmers and ranchers reduce their animal health costs," Hawkins said.

"The pilot project is limited to beef and dairy cattle and swine," Hawkins said. "But, when we move into the national survey, we will cover all classes of livestock and poultry.

"This is not a census of every farm," Hawkins said. "The survey covers a statistically reliable sample from which we can predict accurate estimates for regional or national problems and costs. Our veterinarians will contact each of the selected livestock owners monthly, and the responses will be funneled into a central office for computer entry and retrieval."

Although the Animal and Plant Health Inspection Service is the lead USDA agency for this survey, it has continuing input and support of experts from USDA's Agricultural Research Service, Statistical Reporting Service, Food Safety and Inspection Service and the Extension Service.

Further aid comes from state departments of agriculture, diagnostic laboratories, practicing veterinarians, colleges of veterinary medicine, livestock owners and associations and corporations in the field of animal health.

"From the data generated by this survey, everyone interested in animal agriculture will know, for the first time, what diseases and parasites are causing livestock losses and what these losses cost the nation," Hawkins said.

"We will be able to determine what disease conditions we can expect to find under what circumstances so that preventative measures can be taken," he said.

These preventative measures would include research leading to more effective drugs and biologics, changes in production practices, and even the development of cooperative federal-state-industry programs to supress or eliminate costly but undramatic diseases.

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USDA LICENSES NEW MAREK'S DISEASE VACCINES

WASHINGTON, Nov. 15—U.S. Department of Agriculture officials have licensed three veterinary biologics manufacturers to produce Marek's disease vaccines using a newly approved strain of immunizing virus.

Marek's disease is a tumor-producing viral infection that causes a high rate of carcass condemnations in infected poultry flocks.

Dr. David A. Espeseth, a veterinarian with USDA's Animal and Plant Health Inspection Service, said revised license requirements permit use of the SB-1 strain of chicken herpesvirus. This avirulent strain produces greater immunity against the Marek's disease than Turkey herpesvirus, which previously was the only organism used.

Espeseth said new USDA licenses are being issued to DeKalb AgResearch, Inc., of De Kalb, Ill.; Inter-Continental Biologics, Inc., of Millsboro, Del.; and Salsbury Laboratories, Inc., of Charles City, Iowa. In addition to vaccines using SB-1 virus only, produced by all three firms, DeKalb and Inter-Continental will produce bivalent vaccines using both SB-1 and turkey herpesviruses.

According to Espeseth, the poultry industry has needed greater protection against a recent highly virulent form of Marek's disease. The SB-1 non-pathogenic strain of chicken herpesvirus was discovered in specific pathogen-free chickens, and tested by researchers for immunogenicity and safety.

Rapid development of the newly licensed product was made possible by the combined efforts of USDA veterinary services, USDA's Agricultural Research Service and veterinary biologics manufacturers. Licensees will continue laboratory and field trials for efficacy and safety during the coming year.

Marek's disease vaccines and other veterinary biologics are licensed by USDA under the Virus-Serum-Toxin Act of 1913. USDA regulations implementing the act require products to be proven safe, pure, potent and effective before they may be licensed for interstate distribution.

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RURAL UTILITIES GET FLEXIBILITY TO DETERMINE INTEREST COSTS

WASHINGTON, Nov. 16—Rural electric and telephone utilities were given more flexibility to determine their future interest costs under new financing arrangements announced today by the U.S. Department of Agriculture's Rural Electrification Administration, primary backer of their funds.

Harold V. Hunter, administrator, said his agency negotiated a new agreement for selecting interest rates and maturities on some loans with the Federal Financing Bank.

The new method, he said, would permit the agency's borrowers with short-term maturities from the bank to roll them over every two years to take advantage of interest changes during the 35-year period of the loan rather than only during the first seven years, as was previously done.

The financing bank makes loans to rural utitilities that are guaranteed by the rural electrification agency. The loans are made to borrowers located in 46 states, including Alaska, as well as the Virgin Islands, Guam, Saipan and two other Pacific Islands, Rota and Tinian.

Hunter said borrowers, if they elected the option in today's financing market, could save money by obtaining lower interest by selecting short-term (two-year) maturities, rather than long term, or could wait for long-term rates to decline before selecting a long-term interest rate.

Hunter gave this example of what the new agreement means:

Currently, 106 borrowers have almost $11 billion in Federal Financing Bank loans outstanding at short-term rates. If they elect a rollover every two years, they would save about $100 million in interest annually, based on a one percent difference between long-term and short-term cost of money.

Meanwhile, "they would be buying time," Hunter said, "waiting for future long-term rates to drop."

Some borrowers, he said, will be able to take advantage of the new financing procedure within the next few months, even if the bank's long-term rates remain at the 11 to 12 percent range.

"This would happen," Hunter said, "because they hold soon-to-mature short-term notes negotiated when interest rates were higher." For example, a short-term advance made in December 1981, with a 13.8 percent interest rate, could be currently rolled over at about 10.6 percent.

Hunter said the new agreement allows borrowers to select any one of three loan amortization methods: level principal, graduate principal or level debt sevice. "One of these methods must be selected if the borrower decides to choose long-term, fixed rate financing," Hunter said.

A borrower could select a long-term plan providing for level principal payments and decreasing interest payments, Hunter said. "This option provides a faster loan payoff and less interest would be paid over the long term."

Hunter said the agency's key consideration, on behalf of its borrowers, "is to give the rural electric and telephone utilities flexibility to self-manage their debt."

In addition to almost $11 billion in USDA-guaranteed Federal Financing Bank loans affected by the new rollover option, $14 billion in the bank loans remain to be drawn upon by Rural Electrification Administration borrowers.

For the fiscal year ended Sept. 30, the USDA agency guaranteed about $3.5 billion in loans for rural electrification and telephone service in addition to lending about $1.1 billion of insured funds. While most loan guarantees are made to electric cooperatives, a few are made to public bodies and to telephone companies, Hunter said.

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USDA MOVES TO COMPLY WITH COURT ORDER ON FORECLOSURES

WASHINGTON, Nov. 16—The U.S. Department of Agriculture has moved quickly to comply with an order by U.S. District Court Judge Bruce Van Sickle in Bismarck, North Dakota, which imposes a preliminary injunction affecting the Farmers Home Administration farmer programs loan servicing actions nationwide.

In a notice to state directors Tuesday, FmHA Administrator Charles W. Shuman directed that agency officials on all levels "should immediately cease taking any of the actions prohibited by the Court's Nov. 14 order."

In a separate statement, Shuman said FmHA farm borrowers must continue to live up to their agreements with the agency, a credit arm of USDA. "Nothing in the North Dakota court order relieves borrowers of their loan repayment responsibilities," Shuman said.

In the directive to state directors, Shuman said, until further order of the court, or until the Farmers Home Administration substantially changes its servicing procedures, the injunction stops the agency from:

(1) Refusing to release the proceeds from the sale of normal income security to pay a borrower's living and operating expenses (this applies only to those cases in which a farm and home plan provided for payment of such expenses); (2) accelerating a borrower's loan accounts; (3) foreclosing on real estate security; (4) repossessing chattel security; and (5) attempting to force a borrower to voluntarily convey any security to FmHA.

"The only states not affected by this injunction," Shuman said, "are Alabama, Florida, Georgia, Kansas, Minnesota and Mississippi." Those states are exempt from the order because they have similar cases pending.

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UNITED STATES, JAMAICA SIGN SECOND BARTER AGREEMENT FOR DAIRY/BAUXITE EXCHANGE

KINGSTON, Jamaica, Nov. 17—The United States and Jamaica today signed a barter agreement for the exchange of $13.6 million worth of U.S. dairy products for Jamaican bauxite of an equal value.

This marks the second such agreement between the two countries since February 1982, when $13 million worth of dairy products and bauxite were exchanged.

Under the new agreement, the United States will exchange 11,340 tons of nonfat dry milk and 2,855 tons of butteroil for 400,000 tons of bauxite, according to Melvin E. Sims, general sales manager and

associate administrator of the U.S. Department of Agriculture's Foreign Agricultural Service.

Sims said the agreement will benefit both countries. "It provides an outlet for U.S. government-owned dairy products and contributes to our national defense posture while contributing to Jamaica's strategy of relying on production and exports to fuel its economic recovery," he said.

Bauxite is the basic raw material used to produce aluminum, a significant component in military weapons and aerospace systems.

President Reagan has directed USDA's Commodity Credit Corporation and the General Services Administration to procure an additional 1 million tons of Jamaican bauxite for the national defense stockpile through agricultural barter, Sims said. Today's agreement represents 400,000 tons of that commitment. Current agreements provide for a total of 1.4 million tons of bauxite to be exchanged for surplus U.S. dairy products.

Delivery terms for the dairy products are free along side (f.a.s.) U.S. Gulf ports; the delivery period is through September 1984.

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OLIVER SWORN IN AS USDA GENERAL COUNSEL

WASHINGTON, Nov. 17—Daniel Oliver today was sworn in as the U.S. Department of Agriculture's general counsel by Secretary of Agriculture John R. Block. He replaces A. James Barnes who left to serve as general counsel of the Environmental Protection Agency.

As general counsel, Oliver will oversee USDA's legal staff.

Oliver had been general counsel at the U.S. Department of Education since August 1981. Prior to that, he was in private law practice in New York City. From 1973 to 1976 he was executive editor of "National Review" magazine.

Oliver earned an undergraduate degree from Harvard College and a law degree from Fordham University. He served in the U.S. Army as a Russian language specialist.

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